

Message Text

CONFIDENTIAL

PAGE 01 MADRID 04319 01 OF 02 031902Z

ACTION EUR-12

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JCS WASHDC

INFO USCINCEUR VAIHINGEN GER

CINCUSAFE RAMSTEIN GER

C O N F I D E N T I A L SECTION 1 OF 2 MADRID 4319

JCS FOR J-5 (PLEASE PASS TO MAJ GEN MCCLELLAN)

E.O. 11652: GDS

TAGS: MARR, PFOR, SP

SUBJECT: US-SPANISH COUNCIL: SHARING OF ADMINISTRATIVE COSTS AT THE
NEW SEAT IN MADRID

SUMMARY: THE PURCHASE BY THE SPANISH GOVT OF AN INDEPENDENT
SITE FOR THE US-SPANISH COUNCIL AND ITS SUBSIDIARY ORGANS, IN
PARTICULAR THE COMBINED MILITARY COORDINATION & PLANNING STAFF
(CMCPS), AND THE PROSPECT THAT THE FIRST ELEMENTS OF THE
COMBINED STAFF MAY MOVE INTO THE BUILDING AT THE END OF JUNE,
REQUIRE EARLY DECISIONS REGARDING THE USE OF THE BUILDING AND
THE SHARING OF CERTAIN ADMINISTRATIVE COSTS. SPECIFICALLY, WE
WILL NEED GUIDANCE ON

--THE INTERPRETATION OF THE PHRASE IN THE TREATY "PERMANENT
ADMINISTRATIVE COSTS" (WHICH ARE TO BE SHARED EQUALLY);
--THE SPANISH PROPOSAL TO PROVIDE OFFICES IN THE BUILDING FOR
THE PERMANENT SECRETARIAT OF THE COUNCIL AND FOR A SPECIAL
ADMINISTRATIVE STAFF WHICH WILL SERVICE THE JOINT COMMITTEES ON
EDUCATIONAL & CULTURAL AFFAIRS AND SCIENTIFIC & TECHNOLOGICAL
COOPERATION;
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PAGE 02 MADRID 04319 01 OF 02 031902Z

--THE DIVISION OF PERMANENT ADMINISTRATIVE COSTS BETWEEN MILITARY
AND CIVILIAN ELEMENTS; AND
--HOW TO FIND THE CIVILIAN PORTION OF THESE COSTS. END SUMMARY.

1. THE SPANISH GOVT HAS NOW COMPLETED ACQUISITION OF A LARGE,
HANDSOME PRIVATE RESIDENT AND GROUNDS AT OQUENDO 12 IN MADRID
(6 BLOCKS FROM THE CHANCERY) TO SERVE AS THE HEADQUARTERS OF

THE US-SPANISH COUNCIL. THE BUILDING WAS OBTAINED, AFTER LONG NEGOTIATIONS, AT A PRICE OF 105 MILLION PESETAS (\$1,523,948 AT 68.9/\$1). THE SPANISH FOREIGN MINISTRY ESTIMATES THAT AN ADDITIONAL 25 MILLION PESETAS (\$362,345) WILL BE SPENT IN THE NEXT FEW MONTHS ON ALTERATIONS AND FURNISHING OF THE BUILDING.

2. IT IS ENVISAGED THAT ALL FUTURE MEETINGS OF THE COUNCIL IN MADRID WILL BE HELD AT THIS SITE. MOST OF THE BUILDING WILL BE DEVOTED TO HOUSING THE NEW MILITARY COORDINATION & PLANNING STAFF, WHICH IS TO START WORK THERE, AT LEAST ON A PROVISIONAL BASIS, IN LATE JUNE WITH AN INITIAL STAFF OF ROUGHLY 18 PERSONS. THE FOREIGN MINISTER ALSO (A) FAVORS HOLDING MEETINGS OF THE COUNCIL'S JOINT COMMITTEES THERE; (B) PROVIDING SOME TOKEN OFFICE SPACE FOR THE COUNCIL'S PERMANENT SECRETARIAT, WHICH NOW CONSISTS ONLY OF THE TWO PERMANENT SECRETARIES (A FOREIGN MINISTRY OFFICIAL AND AN EMBASSY OFFICER); AND (C) MORE SIGNIFICANT, PROVIDING 4-6 OFFICES THERE FOR A JOINT PROGRAM ADMINISTRATION STAFF NOW IN THE PROCESS OF FORMATION TO SERVICE THE JOINT COMMITTEES ON EDUCATIONAL/CULTURAL AND SCIENTIFIC/TECHNOLOGICAL COOPERATION, WHICH WILL BE MANAGING \$7 MILLION OF US-FINANCED PROGRAMS EACH YEAR DURING THE LIFE OF THE TREATY OF FRIENDSHIP AND COOPERATION. (A PROPOSAL IS NOW WORKING ITS WAY TOWARD CONSIDERATION BY THE COCHAIRMAN OF THESE TWO COMMITTEES TO LAUNCH THIS STAFF SOON WITH AN INITIAL COMPLEMENT OF 6 PERSONS (5 FULL-TIME SLOTS), WHICH WOULD BE DRAWN INITIALLY FROM PERSONS WHO HAVE EXPERIENCE WITH FULBRIGHT-HAYS AND WITH THE NONMILITARY PROGRAMS UNDER THE 1970 AGREEMENT OF FRIENDSHIP AND COOPERATION.) FURTHER ALONG, SHOULD THERE BE ADEQUATE SPACE IN THE BUILDING, OTHER USES SUCH

CONFIDENTIAL

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PAGE 03 MADRID 04319 01 OF 02 031902Z

AS FOR OFFICES FOR THE SPANISH SIDE OF THE JOINT COMMITTEE FOR POLITICO-MILITARY ADMINISTRATIVE AFFAIRS ARE ALSO POSSIBLE.

3. IT HAD EARLIER BEEN THE EMBASSY'S ASSUMPTION, AND WE BELIEVE THAT OF STATE AND DOD, THAT SINCE THE PREDOMINANT USE OF THE BUILDING WOULD BE FOR THE COMBINED STAFF, ANY SHARED EXPENSES WOULD BE TAKEN CARE OF BETWEEN THE TWO ELEMENTS OF THE STAFF. THE NATURE OF THE SITE (NOT WITHIN AN EXISTING SPANISH GOVT BUILDING) AND THE PROPOSAL FOR ADDITIONAL CIVILIAN USES RAISE NEW ISSUES.

4. FIRST, IS THAT OF INTERPRETATION OF THE APPLICABLE LANGUAGE IN THE TREATY AND RELATED DOCUMENTS. (A) THE TREATY OF FRIENDSHIP AND COOPERATION PROVIDES, IN ART VI OF SUPPLEMENTARY AGREEMENT 1, THAT "THE COUNCIL WILL HAVE ITS SEAT IN MADRID WHERE IT WILL BE PROVIDED WITH SUITABLE FACILITIES BY THE GOVT OF SPAIN. THE ADMINISTRATIVE SUPPORT FOR MEETINGS OF THE COUNCIL AND ITS SUBORDINATE BODIES WILL BE PROVIDED BY THE SPANISH GOVT INASMUCH AS IT IS THE SEAT OF THE COUNCIL.

PERMANENT ADMINISTRATIVE COSTS OF THE COUNCIL, INCLUDING SALARIES OF ANY EMPLOYEES OF THE COUNCIL, WILL BE SHARED EQUALLY. EACH PARTY WILL BEAR THE COST OF ITS OWN PARTICIPATION IN THE WORK OF THE COUNCIL, INCLUDING SALARIES OF ITS MEMBERS OF THE SECRETARIAT."

(B) THE AGREED TERMS OF REFERENCE FOR THE CMCPs FURTHER PROVIDE THAT "OFFICE SPACE AND FURNISHING SHALL BE PROVIDED AND FUNDED BY THE SPANISH GOVT...EACH NATION SHALL FUND ITS RESPECTIVE INDIVIDUAL PERSONNEL COSTS AND ADMINISTER PERSONNEL PROGRAMS... ANNUAL OPERATING COSTS SHALL BE SHARED EQUALLY."

(C) IN ADDITION, THE INSTRUMENT OF OBLIGATION FOR THE FY 1977 EDUCATIONAL AND CULTURAL PROGRAM, WHICH WAS SIGNED ON MAY 23, PROVIDES THAT FUNDS PROVIDED BY THE US UNDER THE TREATY MAY BE USED, INTER ALIA, FOR "PROGRAM COORDINATION AND DEVELOPMENT INCLUDING ADMINISTRATIVE EXPENSES AND SECRETARIAL SALARIES." (IN THE S&T COMMITTEE, THE SAME PROCEDURE WAS ENVISAGED, BUT WAS NOT SO FORMALIZED SINCE NO INSTRUMENT OF OBLIGATION IS REQUIRED.)

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MADRID 04319 01 OF 02 031902Z

CONFIDENTIAL

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PAGE 01 MADRID 04319 02 OF 02 031913Z
ACTION EUR-12

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 CIAE-00
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JCS WASHDC
INFO USCINCEUR VAIHINGEN GER
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C O N F I D E N T I A L SECTION 2 OF 2 MADRID 4319

JCS FOR J-5 (PLEASE PASS TO MAJ GEN MCCLELLAN)

5. IT WOULD APPEAR LOGICAL TO ASSUME THAT "PERMANENT ADMINISTRATIVE COSTS"/"ANNUAL OPERATING COSTS" WOULD INCLUDE:

--SALARIES OF ANY EMPLOYEES OF THE COUNCIL NOT DIRECTLY HIRED BY EITHER GOVT;
--CERTAIN COMMON OFFICE EXPENSES, TO INCLUDE UTILITIES, JANITORIAL AND SIMILAR CONTRACTUAL SERVICES, SUPPLIED RELATED TO USE (NOT MAINTENANCE) OF THE BUILDING (E.G., FOR LAVATORIES, CLEANING, CARING FOR LAWNS), COMMERCIAL TELEPHONES, AND COPYING FACILITIES. WE BELIEVE THE SPANISH FOREIGN MINISTRY WILL FAVOR SUCH AN INTERPRETATION. (WHILE ONE COULD ARGUE THAT SOME PORTION OF THESE EXPENSES MIGHT FALL UNDER THE LANGUAGE REQUIRING THE SPANISH GOVT TO PROVIDE "ADMINISTRATIVE SUPPORT FOR MEETINGS OF THE COUNCIL AND ITS SUBORDINATE BODIES," SPANISH AUTHORITIES WOULD CERTAINLY RESPOND THAT THIS LANGUAGE APPLIES TO ITEMS LIKE INTERPRETATION, AND ONLY TO THE EXPENSES LISTED ABOVE WHEN MEETINGS ARE HELD IN SPAIN OUTSIDE THE JOINT OFFICES OF THE COUNCIL. IN ANY EVENT, IT WOULD BE MOST DIFFICULT TO IDENTIFY AND AGREE ON A SPECIFIC PROPORTION OF EXPENSES ATTRIBUTABLE TO THE HOLDING OF MEETINGS.) THE ISSUE: CAN WE AGREE TO THIS DEFINITION OF "PERMANENT ADMINISTRATIVE COSTS" AND TO DIVIDE
CONFIDENTIAL

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PAGE 02 MADRID 04319 02 OF 02 031913Z

SUCH COSTS 50/50?

6. THIS LEADS TO FURTHER ISSUES. THE SPANISH CO-CHAIRMEN OF THE JOINT COMMITTEES ON EDUCATIONAL/CULTURAL AND SCIENTIFIC/TECHNOLOGICAL AFFAIRS HAD BEEN INCLINED TO PAY ALL THE EXPENSES OF A JOINT ADMINISTRATIVE STAFF OUT OF TREATY FUNDS (SEE THE LANGUAGE IN PARA 4C ABOVE). THIS WAS PERHAPS NOT STRICTLY IN ACCORD WITH THE TREATY PROVISION THAT SUCH EXPENSES BE SHARED, BUT SEEMED CONVENIENT TO THEM AND TO US REPRESENTATIVE ON THE TWO JOINT COMMITTEES. THE SPANISH PERMANENT SECRETARY OF THE COUNCIL HAS OBJECTED STRONGLY TO THIS NON-PROGRAM USE OF TREATY FUNDS, IS WILLING TO SEEK SPANISH FUNDS TO PAY 50 PERCENT OF ALL SUCH EXPENSES, AND ARGUES THAT THE US 50 PERCENT SHOULD COME FROM NEW MONIES. THE ISSUES, THEN ARE:

--CAN NEW FUNDS BE PROVIDED ON THE US SIDE FOR SUCH CIVILIAN ADMINISTRATIVE COSTS, IF NOT IMMEDIATELY IN THE COURSE OF TIME?

--IF NOT, MUST THEY COME FROM TREATY PROGRAM FUNDS OR COULD THE US SIDE OF THE COMBINED STAFF PICK UP THESE COSTS OF CIVILIAN USE OF A BUILDING LARGELY DEVOTED TO ITS USE?

-- ASSUMING THERE WOULD HAVE TO BE A DIVISION OF EXPENSES BETWEEN THE MILITARY AND CIVILIAN USERS OF THE BUILDING, ON WHAT BASIS SHOULD THIS BE DONE (WOULD USE OF SQUARE FOOTAGE IN THE BUILDING SERVE, WITH MEETING AND RECEPTION AREAS PREPARED FOR USE BY THE COUNCIL BEING DIVIDED EQUALLY IN ACCORDANCE WITH THE JOINT CIVILIAN/MILITARY MEMBERSHIP IN THE COUNCIL)?

7. WE HAVE TAKEN THE LINE IN INITIAL DISCUSSIONS WITH THE SPANISH PERMANENT SECRETARY THAT, GIVEN HIS POSITION, NO U.S. CIVILIAN USE OF THE BUILDING, EXCEPT FOR MEETINGS OF THE COUNCIL AND ITS SUBORDINATE BODIES, CAN BE AUTHORIZED

UNTIL THESE MATTERS ARE RESOLVED. NATURALLY, WE WOULD STRONGLY
PREFER NOT TO HAVE TO RESPOND TO THE SPANISH GOVT'S GENEROSITY
IN PROVIDING OUTSTANDING QUARTERS FOR THE COUNCIL BY REFUSING
TO SHARE THE ROUTINE ADMINISTRATIVE COSTS OF OUR JOINT USE
OF THE BUILDING, AND WE THEREFORE HOPE THAT THIS MATTER CAN
BE GIVEN EARLY SYMPATHETIC ATTENTION IN WASHINGTON. STABLER
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PAGE 03 MADRID 04319 02 OF 02 031913Z

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Message Attributes

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